

**FIRST ENGROSSMENT
with Conference Committee Amendments****ENGROSSED HOUSE BILL NO. 1119**

Introduced by

Government and Veterans Affairs Committee

(At the request of the Office of Management and Budget)

- 1 A BILL for an Act to create and enact a new section to chapter 54-06 of the North Dakota
2 Century Code, relating to establishing a state employee performance bonus program; and to
3 provide an expiration date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 54-06 of the North Dakota Century Code is
6 created and enacted as follows:

7 **State employee performance bonus program - Criteria - Limitations.** State
8 agencies may provide monetary performance bonuses to their classified state employees under
9 this section.

- 10 1. State agencies may pay bonuses under this section if:
- 11 a. The agency has had a written employee performance evaluation policy in
12 place for more than one year before paying the bonus;
- 13 b. The written employee performance evaluation policy required in subdivision a
14 must have at least three levels of performance criteria; and
- 15 c. The agency performance bonus program adopted under this section must be
16 a written policy and must be communicated to each classified employee in the
17 agency. Development of the written policy must include input from
18 employees.
- 19 2. Classified state employees are eligible to receive a bonus under this section only
20 if:
- 21 a. The employee has held a classified position in state government for at least
22 one year before a bonus is paid;
- 23 b. The employee's overall annual performance evaluation satisfies the agency's
24 performance bonus program criteria for receiving a bonus; and

- 1 c. The employee is a full-time or part-time regular nonprobationary employee
- 2 holding a regularly funded nontemporary position in the classified service.
- 3 3. A classified employee may not receive more than one performance bonus per
- 4 fiscal year and may not receive more than one thousand dollars in bonuses per
- 5 biennium.
- 6 4. Agencies may pay bonuses under this section during a fiscal year to not more than
- 7 the number of classified employees equal to twenty-five percent of the classified
- 8 employees employed by the agency on July first at the beginning of each state
- 9 fiscal year. Each agency must fund the performance bonus program from within
- 10 its agency budget for salaries and wages.
- 11 5. Bonuses paid under this section may not be included in an employee's base salary
- 12 for purposes of calculating any wage or salary increase.
- 13 6. Bonuses paid under this section are not fiscal irregularities under section
- 14 54-14-03.1.

15 **SECTION 2. EXPIRATION DATE.** Section 1 of this Act is effective through June 30,
16 2005, and after that date is ineffective.